

Questions for JEC Hearings on "Current  
National Policy Choices in the Soviet Union"

1. What are the prospects for Soviet economic growth in the near future in the light of lower rates of growth of investment and increasing demands on the part of the Soviet population for more consumer goods? Could Soviet growth rates be increased by reallocating resources to investment in consumer goods industries? That is, what is the potential of unrealized past growth in the consumer goods industries for future Soviet growth?

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2. How would you assess the prospects for further reform of the system of management in the Soviet economy? Considering the reforms which have been made or are scheduled, what would be the next, logical step which you would expect the Russians to take to try to improve their economic system?

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STATINTL

3. Industrial raw materials, machinery, and military goods have historically received priority in Soviet industrial production. Has there been any shift in this system of priorities in favor of the consumer?

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4. Some discussion of centers of power in the Soviet Union have identified a group resembling a "military industrial complex". Does such an interest group exist, and, if so, what is the extent and direction of its influence on Soviet policy?

STATINTL

5. To what degree have rising levels of military spending been responsible for the decline in the Soviet growth rate in the 1960's? Why did growth decline, and what do you expect the growth of Soviet GNP to be over the next five years?

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6. If an arms control agreement were to freeze military spending in the USSR at present levels, what sectors of the economy would be the immediate beneficiaries? What do you think would be the ultimate impact of such a stabilization in defense spending on the Soviet economy?

STATINTL

7. I understand that you have looked into the question of relative levels of productivity in the Soviet Union and in the United States. Would you please summarize your findings. In particular, assuming that there is a "technological gap" between the two countries, is the USSR closing the gap? Does Western policy with respect to trade with the Soviet Union have any significant effect on Soviet technological progress?

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8. Has there been any important shift in military priorities in the USSR in favor of non-nuclear forces since Khrushchev first threw his weight behind the missile forces? (  )

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9. Some years ago there was concern over the fact that the Russians were training more engineers than we were. They have continued to graduate more engineers than we have. What are the Russians doing with all these engineers, and is there a danger that the US will fall behind technologically as a result of the Soviet emphasis on educating scientifically trained personnel.

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10. Civilian production in the USSR very probably suffers from the diversion of some of the best scientists, engineers, skilled workers, and equipment to military purposes. Is this kind of competition for scarce resources becoming more or less of a problem for the Soviet Union?

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11. From the Soviet standpoint, what would be the most important reasons for seeking an arms control agreement?

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12. What are the economic motives, if any, underlying the apparent Soviet willingness to enter into arms control talks?

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13. Do any of you feel there are major differences within the leadership over allocational policies? For example, differences between members or factions of the Politburo concerning the share of resources to be allocated to agricultural investment, defense, consumer oriented industry, etc. If so, what evidence do you have to support your answer?

14. Similarly, do you feel there are major differences within the leadership concerning the implementation of economic reforms first initiated in 1965? For example, do you feel there is a group of leaders who would be willing to adopt more radical reforms? If so, what leaders would be included?

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**Remarks:** The attached set of questions have been prepared in response to a request from Mr. John Stark, Executive Director, Joint Economic Committee staff. The request was made orally when Messrs.  of this Office and  were conferring with Mr. Stark on the status of our contributions to JEC publications.

The questions are intended for the use of JEC members (Congressmen) in interrogating academic witnesses at hearings to be held next week on the Soviet economy. The questions are, of course, for use by Committee members without attribution to CIA.

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			TE
Director of Economic Research		16 Jun 69	
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TRANSMITTAL SLIP			6/18/69
TO: Mr. Mawzy			
ROOM NO.	BUILDING		
REMARKS:			
<p>prepared the attached questions for the SEC at their request. Nos. 4 &amp; 11 are somewhat leading. Do they give you any concern?</p>			
FROM: JHB			
ROOM NO.	BUILDING	EXTENSION	

STATINTL

BLC

I see no real  
problem here -  
if it troubles you  
lets discuss -  
Jim